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CHAMPVA POLICY MANUAL

CHAPTER: 1
SECTION: 4.1
TITLE: CITI (CHAMPVA INHOUSE TREATMENT INITIATIVE)

AUTHORITY: 38 CFR 17.272(a) and 17.274

RELATED AUTHORITY: 42 USC 1395f(c)

I. DESCRIPTION

CITI (CHAMPVA Inhouse Treatment Initiative). CITI is a voluntary program that allows treatment of CHAMPVA beneficiaries at VA (Veterans Affairs) medical care facilities that have elected to participate in the CITI program.

II. POLICY

CITI (CHAMPVA Inhouse Treatment Initiative).

1. Services are limited to covered medical conditions.
2. The CHAMPVA beneficiary cost share and deductible are waived.

3. Reimbursement to the participating CITI facilities is made by CHAMPVA on a monthly basis through the TDA (transfer of disbursing authority) process. The claims are processed upon receipt of the itemized billing statements. Exceptions to the itemized billing statements are:

a. Pharmacy - VA cost plus a \$5.00 dispensing fee for each line item listed on the claim or the AWP (average wholesale price) as reflected in Drugs Topic Red Book, plus a \$3.00 dispensing fee **or the negotiated price.**

b. DME (Durable medical equipment) – VA actual cost plus 10% processing fee (not to exceed \$200). Preauthorization is not required for DME provided by the CITI facility.

c. Inpatient Professional fees - included in the CHAMPVA allowable for inpatient services (inpatient services paid at 100% of the allowable for CITI claims).

4. Medicaid eligible beneficiaries may participate in the CITI program. Whenever a CHAMPVA beneficiary is also eligible for Medicaid, CHAMPVA becomes the primary payer (see Chapter 3, Section 4.1, OHI (*Other Health Insurance*)).

III. POLICY CONSIDERTIONS

A. Existence of OHI (Other Health Insurance). Prior to payment of any claim for services or supplies rendered to a CHAMPVA beneficiary, the CITI facility must determine whether other coverage exists under any other insurance plan, medical service, or health plan. Benefits cannot be paid to the CITI facility until the claim has been filed with the other health insurance and a payment determination issued EOB (explanation of benefits) by the other insurer.

B. Waiver of Benefits. Beneficiaries do not have the option of waiving benefits of another insurance plan or health plan in order to place CHAMPVA as the primary payer.

1. If the other health insurance denies payment because of medical necessity or because the beneficiary obtains medical supplies or services outside their insurance carrier providers, that is, PPO (Preferred Provider Organization), HMO (Health Maintenance Organization) or Medicare, CHAMPVA will also deny payment on the claim.

2. The beneficiary may appeal the disputed issue to their other health insurance (not CHAMPVA). If the other health insurance reverses their original decision and pays, CHAMPVA will then process the claim as secondary payer providing the service is a covered benefit.

3. CHAMPVA will become the primary payer if the other health insurance certifies in writing that the service is not a covered benefit under their plan, but that service is covered under CHAMPVA.

IV. EXCLUSIONS

A. Medicare eligible beneficiaries cannot be treated in CITI facilities. [42 USC 1395f(c)]

B. Beneficiaries who are enrolled in a PPO or HMO unless the PPO or HMO includes the CITI facility within their provider network.

END OF POLICY